Match Funds

Your Contribution to Total Project Funding

What is match and Why do we need it?

Simply put, match funds are the financial contribution or cost share your organization puts toward any federally funded project. It includes all contributions, including cash (hard match) and in-kind (soft match), that a recipient makes to an award.

Practically all of the Texas Department of Transportation (TxDOT) Traffic Safety dollars comes from the National Highway Traffic Safety Administration (NHTSA), our Federal funding agency, NHTSA is an agency under the United States Department of Transportation and is funded by the Federal Transportation Bill, MAP 21—Moving Ahead for Progress in the 21st Century Act, which requires matching funds from states. TxDOT requires a minimum 20% match for Traffic Safety General Grants and Selective Traffic Enforcement Program (STEP) Law Enforcement Grants.

How do I determine the amount of match dollars to provide?

First, complete the financial requirements (budget) for your grant, then you are ready to calculate match. The amount of match provided is based on total project costs, not a percentage of the federal funding.
The good fortune is that TxDOT Traffic Safety projects are proposed and operated in a web based application called eGrants. The eGrants system will calculate the match rate for you or you can use a formula and determine it yourself.

MATCH CALCULATOR: In the eGrants application an eGrants help page is provided that includes a match calculator [https://www.txdot.gov/apps/eGrants/eGrantsHelp/index.html]. Simply insert your budget amounts in the spaces provided and the calculator will calculate match. The calculator helps you determine that the minimum 20% (or more) match is met or if you need to edit your budget.

FORMULA: For those interested in the formula behind the computer (eGrants), use this example and calculation to determine your match requirements.

For this example, your total federal funding for your project is $ 100,000 and the match funds you want to provide is 20%, so the match amount to provide is calculated like this:

1. 100% – 20% = 80% (or 1 - .2 = .8)
2. $ 100,000/.8 = $ 125,000 (This is the total budget amount including match.)
3. $ 125,000 - $ 100,000 = $ 25,000 (This is the amount of match you need to provide)

Or

For this example, your total federal funding for your project is $ 100,000 and the match funds you want to provide is 40%, so the match amount to provide is calculated like this:

1. 100% – 40% = 60% (or 1 - .4 = .6)
2. $ 100,000/.6 = $ 166,667 (This is the total budget amount including match.)
3. $ 166,667 - $ 100,000 = $ 66,667 (This is the amount of match you need to provide)

What qualifies as match?

Only acceptable costs qualify as match (cost sharing) and must conform to other necessary and reasonable provisions to accomplish the program objectives. Cost sharing is auditable and must be allowable under cost principles and verifiable and documented. It is important to know that qualifiers for match are derived from the federal regulations, primarily the Office of Management and Budget (OMB) and are outlined in OMB Circular A-110, Part 23, and Cost Sharing.
The most significant element when determining what qualifies as match is the same that qualifies as an allowable and reimbursable expense. If it is not allowable as a reimbursable expense, it cannot qualify for match. For instance, supplanting, or the replacing routine and/or existing State or local expenditures with the Federal grant funds is unallowable. So, replacing match funds is unallowable as match for the same reason. The guiding document—OMB 2 CFR 225, includes the following factors for allowable costs for state and local governments. The cost will count as eligible match or reimbursable expense when you follow these 10 items:

1. *Be necessary and reasonable for proper and efficient performance and administration of Federal awards.*

2. *Be allocable to Federal awards under the provisions of 2 CFR part 225.*

3. *Be authorized or not prohibited under State or local laws or regulations.*

4. *Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.*

5. *Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.*

6. *Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.*

7. *Except as otherwise provided for in 2 CFR part 225, be determined in accordance with generally accepted accounting principles.*

8. *Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.*

9. *Be the net of all applicable credits.*

10. *Be adequately documented.*

What are some examples of match?

The following are examples of match funding sources for TxDOT General Grants and Selective Traffic Enforcement Programs (STEP) Law Enforcement Grants. Matches are certainly not limited to this list; but provide examples of items many TxDOT sub grantees use as eligible forms of match.

Example 1 – Participation Time:

A "participant" is an individual or group that assembles with a grant related specific purpose for a presentation, training or some other type of activity. In this type of match, the "participant" must utilize the information from the event for their job performance or profession.

> For this example (Adults, not federally funded), there is a grant training that includes 10 registered nurses learning about child safety seats as part of their job junction. Upon completion, the nurses will train patients on the use of child safety seats. It's a 4 hour class.

How to Calculate:

1. Locate the Median Rate for a Nurse salary online at the government website for the Bureau of Labor Statistics: Bureau of Labor Statistics.

2. Perform Calculation: Median Rate for Nurse is $ 31.48 per hour x 4 hours in class x 10 Nurses = $ 1,259.20 participation time match

Example 2 – Volunteer Time:

A "volunteer" is a person or group who freely takes part in a presentation, training or some other type of activity or task. Volunteers might come from multiple backgrounds, but are not generally acting within their field of expertise or as part of their job performance or duties.

A. For this example (Adults, not federally funded), there is an event in which you have booth for material distribution. Two volunteers staff the booth for 8 hours.

How to Calculate:

1. Locate the National Value of Volunteer time online at Independent Sector. The approved rate for volunteer time being used for Fiscal Year 2014 TxDOT Traffic Safety Grants is $ 22.14.

2. Perform Calculation: 2 volunteers x 8 hours x $ 22.14 = $ 354.24 for volunteer time

NOTE: The nurses (participants) could be counted as volunteers (Example 2) instead of Participants (Example 1) but the total match earned is less since the Median Rate salary for nurses is more than the volunteer rate. (Perform Calculation: 8 nurses x 4 hours in class x $ 22.14 = $ 708.48)

B. For this example (Public School Students) you present to a group of public school students for 1 hour in the evening or on a non-school day.

NOTE: Match is not allowable when counting public school student's participation during school hours on school sponsored trips etc., including but not limited to classroom and assembly attendance. This is due to the fact that Texas Schools are funded with both federal and non-federal funding. Public school students, during school hours, benefit from both of those funding sources. Since federal funding cannot be utilized as match, school aged students participation cannot be used as match. Using these match dollars would be considered supplanting. Non public school students may or may not include

federal funds so documentation would be required to utilize them as match.

How to Calculate:

1. Locate the Volunteer Rate at Independent Sector website. The 2014 volunteer rate is $ 22.14

2. Perform Calculation: 15 public school students evening or on a non-school day) x 1 hour x $ 22.14 = $ 332.10

Example 3 – Earned Media (Added Value Media and Calculated Earned Value)

Earned media is free publicity specific to the grant or STEP through media outlets such as radio, television, radio, and internet advertising. Popularly used formats include news articles or air time on radio or TV or a free banner ad on the internet. Other forms of media are a bit more difficult to document, such as Social Media. Currently there is no industry standard for social media. Broadcasts on Twitter, Facebook, Instagram, and Blogs are not considered sources of match.

For this example, grant staff are invited to participate in a live interview for the program. This calculation method is used for print, internet advertising or any other form of media. When shown, the interview is broadcast for 1 minute.

How to Calculate:

Contact media outlet to determine the market rate for that time period of your interview. Document the market rate value for the 1 minute time period. The Interview Rate in example market is $ 3,000 per minute.

Calculate: 1 minute interview x $ 3,000 = $ 3,000 earned media.

Example 4 – In-Kind Contributions and Donations

In kind donations or gifts in kind are goods and services donated such as office equipment, office space, printing, conference registration, booth space at an event, etc. Items must be used exclusively for the grant. If shared, the amount must be allocated across all users.

A. For this Example, the grant is exclusively provided at no cost, 300 square feet of office space. On top of the office space, a new computer and printer is provided at no charge to the grantee.

How to Calculate:

1. Determine the cost of gifted items: Cost of the Space: $ 1.25 per square foot; Cost of Computer: $ 800.00; Cost of Printer: $ 150.00

2. Perform Calculation: Office Space: 300 x $ 1.25 = $ 375 per month
   Computer: $ 800.00
   Printer: $ 150.00

Total Match for 1st Month = $ 1,325 Match for 2nd – 12th Month = $ 375 for the space

B. For this example, you hold a 2 hr. workshop at a school or other building and are not charged a rental/building use fee. This rate could be determined per school visit or by an average of several schools. You could sample 10% of schools you have visited or will visit to get this average.

How to Calculate:

Determine how much the room rental would cost if not donated. In this case it is $ 25 per hour.

2 hours X $ 25 = $ 50 room rental match

Example 5 – Donation of Used Equipment

Donations of used equipment are very common for non-profit organizations as well as small cities and counties. Determining the value of the item can be difficult but there are resources. Fair market value, FMV, refers to the value you might reasonably expect to get for your items on the open market. The two common valuation tools are resale amount and sales of comparable properties. Resale would lead you to resellers of used equipment like Goodwill. Comparable properties allow you to use similar goods using online sites like eBay. Regardless of the system, having an approved internal policy to determine value and documenting the result is still a best practice and will help auditors and other monitors to establish credibility.

For this example, your organization is given a used Dell laptop computer from 2008.

How to Calculate:

Use an online evaluation tool such as http://www.gadgetvalue.com to help determine the value of the used computer. The tool allows you to enter data in screens. After

all the screens have been filled in about this computer, the tool determined this computer is worth $ 88. The screen shot can be used as documentation.

Example 6 – Distribution of Materials

Many of the grants have a Public Information & Education (PI&E) component. The distribution of the information can qualify as match. What needs to be determined is if a grant paid staff person or a volunteer is responsible for distributing the materials. If it's the latter, a volunteer, then that distribution could qualify as match.

For this example, your organization has shipped 10 boxes of coloring books to a group to distribute at a fair. A box contains 25 coloring books and it takes approximately 2 hours per box to distribute the materials and provide the required grant related education about the contents of each book.

How to Calculate:

We learned in Example 2 that the volunteer rate is $ 22.14 an hour. It took 2 hours to distribute each box.

$ 22.14 per volunteer hour x 2 hours per box x 10 boxes = $ 442.80 for the distribution.

Example 7 – Surveys

Surveys, through evaluation and testing of a representative sample, can help quantify the effectiveness of your program. The quantifying can hold value, either within the total population or sample set. In this example we are using raw data, but with a qualified statistician, a representative extrapolation could prove very valuable to the program.

For this example, you are surveying 500 elementary school teachers on how many hours they taught the information in your Grant curriculum. The survey delivered 100 responses and the total average the curriculum was taught is 5 hours per teacher. If teachers were paid by the grant (stipend) or to teach curriculum or the teacher is federally funded, their salary cannot be used as match.

How to Calculate:

Determine the Median Rate for a Teacher using website: Bureau of Labor Statistics
You find the median rate is $ 56,180/2080 hours in a work year = $ 27.06 per hour.

Perform Calculation: The survey takes 30 minutes to complete, so for each survey the rate is $ 27.06/2 = $13.53 for each respondent. Calculate the average time teachers are teaching your curriculum using their responses. Average time: Total number of hours taught divided by 100 teachers (or you can use the actual number of hours taught).

Total match for the survey is:

100 surveys answered x 5 hour average teaching grant curriculum x $ 27.06 = $13,530
100 surveys answered x .5 hour to fill out survey x $ 27.06 = $ 1,353
Total Match = $ 14,883

Example 8 – Indirect Cost

An indirect cost is a cost that is not directly accountable to a cost object. Typically, administration and facilities costs (overhead) are the most common forms of indirect costs. The Federal Agency is responsible for approving indirect cost rates for your agency. Your indirect cost rate must be determined by an accountant or other certified financial professional, be approved by a federal cognizant agency or state agency, must be approved, and cannot be expired to be applicable to a grant, for both reimbursement and match. Indirect costs are frequently overlooked by subgrantees especially STEPs -Law Enforcement, but may be the number one source of match because of the ease of use and availability.

A. For this example, a city has proposed a project. The city has an indirect cost rate of 5% for this department. Direct costs for the project are budgeted at $ 100,000. .

How to Calculate:

1. $100,000 in project direct cost x .05 indirect cost rate = $ 5,000

B. For this example, an agency's indirect rate is 4% and the proposed project is $ 100,000. The eligible indirect rate is $4,000. They want to claim 25% as direct and 75% as match.

How to Calculate:

1. $ 4,000 x .25 = $ 1,000 (direct) and $ 4,000 X .75 = $ 3,000 (match)
2.They claim $ 1,000 of the indirect as a direct cost and $ 3,000 as match.

NOTE: The following examples are primarily directed at STEP – Law Enforcement grants. This is due to the nature of STEP-Law Enforcement grants where there are specialized costs associated that general grants do not include. STEP-Law Enforcement and General Grants can use all match examples in this document, especially indirect costs but the following are the most specific to STEP-Law Enforcement grants.

Example 9 – Enforcement and Non-Enforcement Mileage

Enforcement mileage is associated with STEP-Law Enforcement grants. Each STEP-Law Enforcement agency has its own methodology in determining the agency's mileage rate, but typically the rate is an average of the cost of operating the vehicle minus the state reimbursement rate.

A. For this example, Anytown PD has established a mileage rate of $ .865 per mile for their vehicles and the state reimbursement rate is $ .565. They travelled 2000 miles on enforcement and 500 non-enforcement miles.

How to Calculate:

Anytown PD mileage rate $ .865 – State rate reimbursed by grant $ .565 = $ .30 per mile 2500 of total miles on grant x $ .30 per mile = $ 750 in match

OR

Anytown PD mileage rate $ .865 x 2500 = $ 2,162.50 in match

B. For this example the sub grantee travelled 1000 non enforcement miles to conduct presentations around the state and plan to use this as match. Their mileage rate is .565.

1000 miles x .565 = $ 565 non-enforcement mileage match

Example 10 – Court time

Court time for DWI is very common with STEP-Law Enforcement projects. Utilizing internal policy, the department assigns a minimum rate of pay for court time For example, Anywhere PD pay the officer 3 hours overtime for attending court. After 3 hours, they are paid for each additional hour at their hourly overtime rate. Please be aware of schedules when court time touches enforcement time (Court overtime verses duty (regular or overtime). This could be a double-dipping issue.

A. For this example, Sgt. Peters must take the stand in a DWI case. She is there for 15 minutes, but department policy assigns 3 hours for court time as a minimum. It is her day off. She gets paid $ 26.00 per hour.

How to Calculate

3 hours of court time x $ 26.00 = $ 78.00

B. For this example, Sgt. Bond is in court for 1 hour and department policy pays the officer the policy minimum of 3 hours. Court lasts only 1 hour and, Sgt. Bonds leaves the court and begins STEP enforcement for 6 hours

How to Calculate

3 hours overtime pay for court time x $ 26.00 = $ 78
Hour 1 $ 26 = $ 26 match.
Hour 2 and 3 of court pay = $ 52 and is ineligible as match—City is claiming hours 2-7 for STEP-Law Enforcement reimbursement.

Example 10 – Administration

Every project has direct administration oversight. Some projects bill the grant directly to be reimbursed for that time but other do not. If the agency decides not to bill for that time, it is a great source of match.

For this example, Lt. Chambers assigns overtime and handles the paperwork for this federal grant. His salary is paid by the department not the grant. His rate is $ 34.00 per hour and he worked 19 actual hours this month on this grant project.

How to Calculate:
$ 34.00 per hour x 19 hours worked = $ 646.00 match

Example 11 – Grant Supplies and Other Miscellaneous Expenses

Anything purchased that is not reimbursed by the grant can be utilized as match if necessary for the grant. Each grant uses ticket books or paper for e-citation. Those expenses that are directly related to the grant but are not requested in a reimbursement are eligible for match.

A. For this example, an agency uses ticket books that are exclusive to Traffic Safety projects. Each book is $ 4.00 and they use 100 per grant year.

How to Calculate:

Ticket book is $ 4.00 x 100 = $ 400 supply match

B. For this example, an agency prints 5000 PI&E documents (i.e. brochures, push cards, flyers, etc.) for training, community distribution etc. It cost $ .25 to print each document.

How to Calculate:

5000 documents X $ .25 = $ 1,250

Example 12 – Fringe Benefits

Fringe benefits are a part of a wage that includes such items as social security, Medicare fees, retirement, and other. Not every agency will ask for the direct reimbursement of fringe and it makes a good source of match. Also, the fringe rate charged would be the rate applicable to overtime hours.

For this example, Anytown PD has 550 hours of enforcement time for a total $ 14,300 in salary wages. They have a fringe rate of 23%.

How to Calculate:

$ 14,300.00 in salary x .23 = $ 3,289.00 fringe match